# Fashion in Light of COVID-19

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ABOUT THE SPEAKERS

### About the speakers



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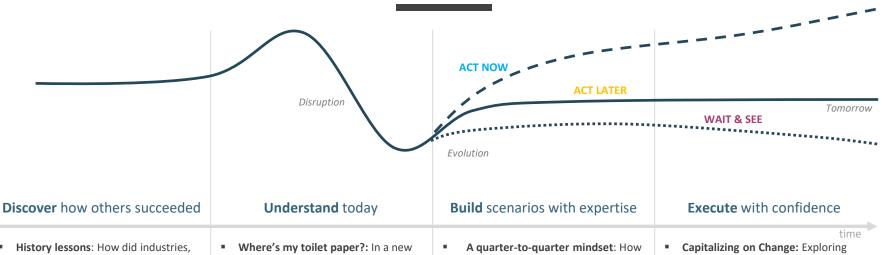


# COVID-19: The Ultimate Disruptor



COVID-19: THE ULTIMATE DISRUPTOR

### Pathway to success beyond COVID-19



- **History lessons**: How did industries, economies and governments react to SARS, H1N1 and 2008 crisis and can it inform my actions today?
- Best Practice: How are other countries and companies responding to the crisis and what lessons can be learned?
- online landscape what do pricing strategies, assortment, and shortages look like? Daily SKU tracking can help.
- Check your new vitals: How big is my category now? Who is left? Who is thriving and why? What do my consumers want now?
- to use growth scenarios to survive now, position for short-term success and charge forward later this year.
- I care about different things now: Detailing the new expectations for consumers and channels?
- **Strange partners:** What businesses are primed for partnership?

- paradigm shifts vs. short-term shocks and what strategies allow for totally NEW winners (and dying giants) coming out of this crisis.
- **Emerging megatrends** and the new normal of virtual living, contact-free interactions, social commerce. sustainable business models and more.



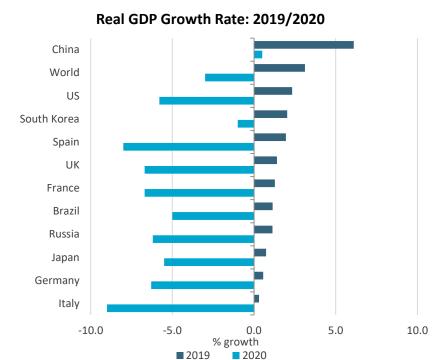
INTRODUCTION 7

### Disruption across the whole value chain

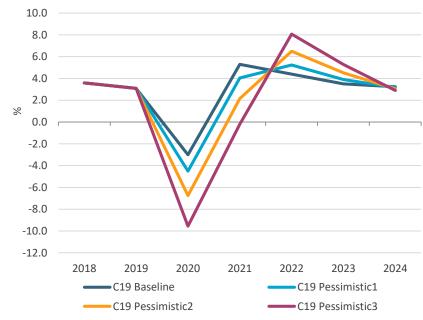




### Global macro-environment outlook



### Global Real GDP Growth: 2018-2024



Source: Euromonitor International Macro Model





# COVID-19: Consumption

### Fashion consumption in quarantine in 2020



-10

■ % growth

-5

Baseline forecast:
Estimated probability:
38-48% over a
one-year horizon

C19 Pessimistic 2: Estimated probability: 15-25% over a one-year horizon. C19 Pessimistic 1: Estimated probability: 25-35% over a one-year horizon

C19 Pessimistic 3: Estimated probability: 5-10% over a one-year horizon

Source: Euromonitor International

-20

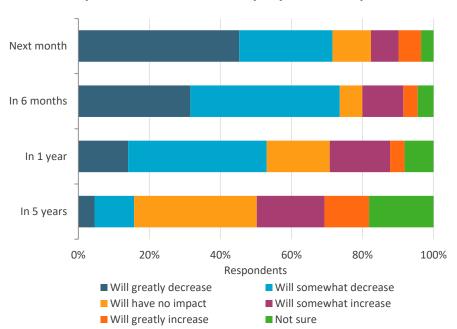
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### No back to "normal"





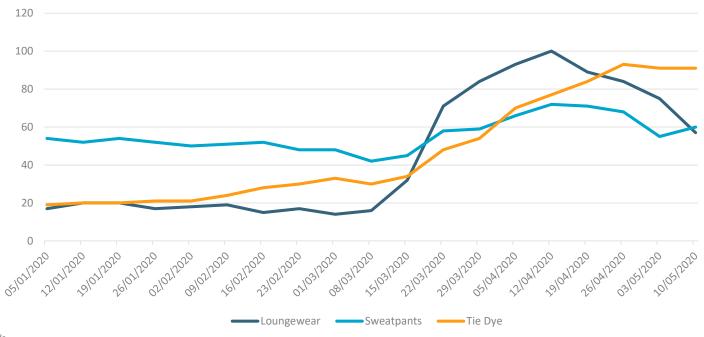
39%

of respondents expect Covid-19 to have a much worse impact on company revenues when compared to 2008/2009 financial crisis.

Source: Euromonitor International COVID-19 Voice of the Industry Survey

### Comfort and DIY winning during lockdown

### **Google Trends – Web Searches Volume Year to Date**



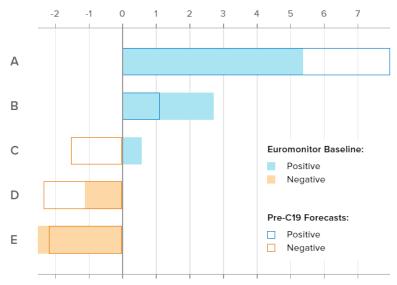


### Assessing fashion appetite post-COVID-19

### USA PRE-C19 FORECASTS SCENARIO FORECAST I

Number of Households by Disposable Income 2019-2024, constant prices, period % growth

### Segments Thresholds USD: $0 \le E < 5,000 \le D < 15,000 \le C < 45,000 \le B < 100,000 \le A$



Source: Euromonitor Income Distribution Model

Last updated on April 30, 2020



PLEASE KEEP A SAFE DISTANCE OF 2 METRES



PLEASE KEEP A SAFE DISTANCE OF 2 METRES



With our strong digital foundation, brand momentum and financial position, we believe this will be a catalyzing moment that strengthens Nike's long-term future.



John Donahoe, Chief Executive for Nike

# What's Next?

Can COVID-19 slow down consumer demand in the mid to long term? Will COVID-19 redefine fashion consumption?

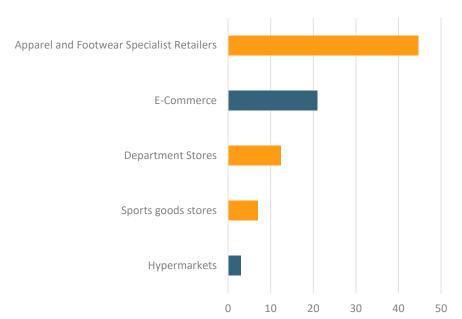




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### Non-essential channels on lockdown

Top 5 Apparel and Footwear Global Distribution
Channels 2019



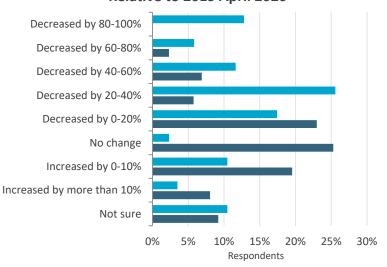


Source: Euromonitor International

DISTRIBUTION 18

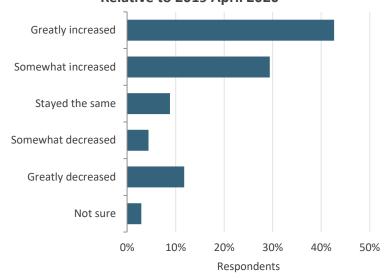
### Voice of the Industry

## Same-store Sales in February and March Relative to 2019 April 2020



- March 2020 compared to March 2019
- February 2020 compared to February 2019

### Change in Online Sales in Past Month, Relative to 2019 April 2020



Source: Euromonitor International COVID-19 Voice of the Industry Survey, April 2020

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### Post-pandemic shopping shaping up





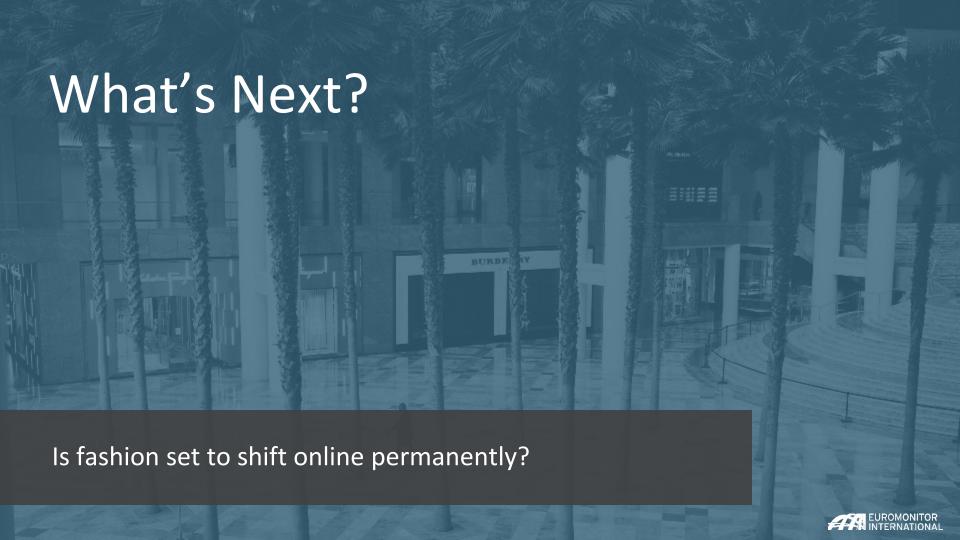
Source: later.com



Live shopping, conversational commerce on WeChat or WhatsApp, AR and VR will take the spotlight even sooner than expected, from virtual fitting rooms to virtual buying practices and trade shows.

Pinar Dincer, Head of Fashion at Intelistyle, April 2020





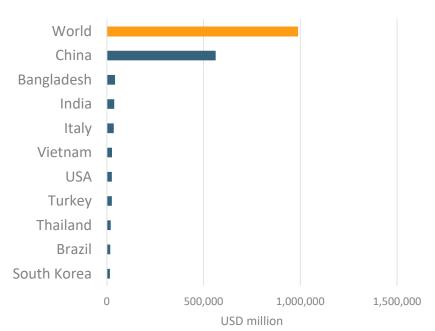
# COVID-19: Production and Supply Chain



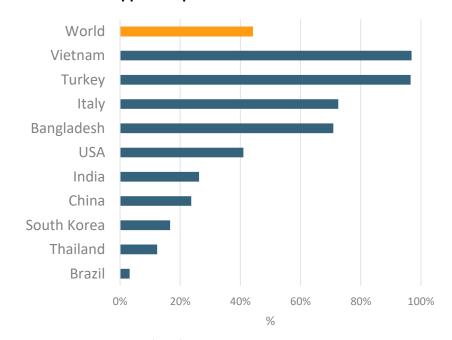
PRODUCTION AND SUPPLY CHAIN 23

### Manufacturing and supply chain





### Apparel Exports as a % of Production 2019



Source: Passport Industrial

Source: Passport Industrial





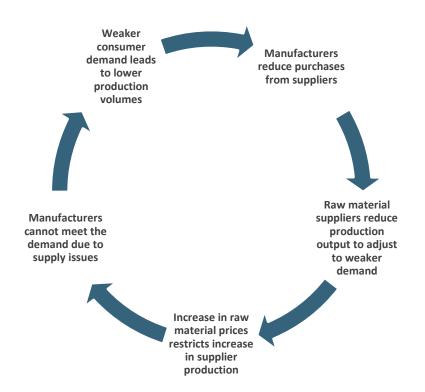
Foreign buyers are postponing orders, and asking for hefty discounts. Goods in transit are also not moving. Those already dispatched are also finding no takers on various foreign ports.

Dr. A Sakthivel, Apparel Export Promotion Council Chairman

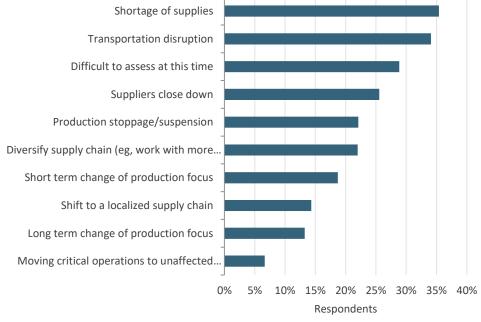


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### Voice of the industry



### Impact of COVID-19 on Supply Chain in Next 6 Months



Source: Euromonitor International COVID-19 Voice of the Industry Survey, April 2020



PRODUCTION AND SUPPLY CHAIN 26

### Manufacturing and supply chain





Reshoring, micro factories and 3D printing: Will COVID-19 fast-track these?



# COVID-19: Final Thoughts





# Disrupted?

Or not?



# Thank You

Jorge Martin, Head of Fashion Research Marguerite LeRolland, Research Manager Arthur Zaczkiewicz, Executive Editor Strategic Content Development WWD Related Analysis:

Understanding the Impact of Coronavirus

For more information please contact: Press-London@euromonitor.com

